

2018 Preliminary Corporate Budget

Commission Briefing

September 26, 2017

2018 Key Initiatives/Budget Drivers

- Increased resources to implement and support Commission priorities
 - Additional staff and consulting resources to implement the Energy & Sustainability Committee recommendations.
 - New position to support development of a Port wide Equity Program.
 - Continuation of High School Internship program – 82 interns budgeted
- Expand public outreach to increase awareness of Port's contribution to regional economic vitality and to enhance relationship with surrounding communities
 - Additional Public Affairs outreach efforts in 2018 including a “State of the Port” breakfast.
- Strengthen Centers of Expertise to leverage capabilities Port wide
 - Additional resources for Business Intelligence, Security & Preparedness, and Finance & Budget.
- Support division priorities and business needs
 - Police Department adding staff to enhance Airport security.
 - HR, CPO and AFR adding staff to meet growing service demands.
 - Portions of Capital Development and CPO staff moving to SeaTac Office Center due to Airport Office Building space constraints.

Corporate budget driven by Port wide initiatives and growth needs

Corporate Expense Budget Overview

(in \$000s)	2016	2017	2017	2018	Budget Change		Budget to Forecast	
	Actual	Budget	Forecast	Budget	\$	%	\$	%
Core Support Services	69,196	76,663	75,479	80,072	3,410	4.4%	4,594	6.1%
Police	23,045	23,884	23,689	27,065	3,181	13.3%	3,376	14.3%
Capital Development	12,218	25,463	21,164	26,241	778	3.1%	5,077	24.0%
Environment & Sustainability	6,712	11,932	9,569	11,304	(628)	-5.3%	1,736	18.1%
Total	111,172	137,942	129,900	144,682	6,740	4.9%	14,782	11.4%

- 2018 budget includes \$3.1M of “non-recurring” initiatives carrying over from 2017 budget.
- \$6.9M in budget additions including 25.4 new FTEs and \$924K for rent and moving costs to SeaTac Office Center.

Corporate budget supports Commission priorities and division growth

Summary of Proposed New FTEs

Environment & Sustainability – 3 new positions focused on Airport energy conservation, Maritime climate protection and Maritime sustainable development principles

Human Resources – Equity Program Manager and Talent Acquisition Representative

Police – 12 new Officers to provide enhanced Airport Terminal security

Central Procurement – 2 new Contract Administrator positions

Aviation Finance & Budget – New Manager and Administrative Assistant

Accounting & Financial Reporting – Capital Services Accountant

Internal Audit – IT Auditor

Commission Office – Commission Records Staff Assistant

Interns – 1.4 FTE in Human Resources, Executive and Maritime Finance & Budget

Staff Additions to Support Commission Priorities and Division Growth

2018 Corporate FTEs Summary

Description	FTEs	Notes
2017 Budget	870.1	
Changes in 2017:		
Mid-Year Approvals	15.5	See detail in the following slide
Eliminated	0.0	
Transfer	-1.0	Maritime ENV to Habitat
2017 Baseline	884.6	
2018 Budget Changes:		
Eliminated	-1.6	All temporary hires in 2017
Proposed New FTEs	25.4	See detail in the following slide
Net Change	23.8	
Proposed FTEs for 2018	<u>908.5</u>	

Proposed 2.7% increase in FTEs compared to 2017 Baseline

Proposed 2018 New FTEs--Detail

No.	Dept	Description	FTEs
1	Police	Police Officer	12.0
2	Commission Office	Commission Staff Assistant - Commission Records	1.0
3	Human Resources	Sr. Talent Acquisition Representative	1.0
4	Human Resources	HR College Intern	0.6
5	Human Resources	Equity Program Manager	1.0
6	Central Procurement Office	New Contract Administrator Positions- CPO Construction	1.0
7	Central Procurement Office	New Contract Administrator Positions- CPO Service Agreements	1.0
8	Internal Audit	Sr. Internal Auditor	1.0
9	Accounting & Financial Reporting	Capital Services Accountant III	1.0
10	Executive Office	College Intern	0.5
	Subtotal		20.1
11	Aviation Environmental	Environmental Review and Permitting Staff	1.0
12	Maritime Env. & Planning	Maritime Climate Protection Program Manager	1.0
13	Maritime Env. & Planning	Sustainability Development Management Specialist	1.0
14	Aviation Finance & Budget	Manager, Aviation Finance & Budget	1.0
15	Aviation Finance & Budget	Administrative Assistant	1.0
16	Maritime Finance & Budget	Graduate Intern	0.3
	Subtotal		5.3
	TOTAL		25.4

New FTEs additions support the Port's strategic goals and division needs

2017 Mid-Year Approved FTEs

No.	Department	Description	FTEs
1	Legal	Senior Manager, Workplace Responsibility	1.0
2	Internal Audit	Port Contract Compliance Program Coordinator.	1.0
3	Police	K9 Handlers	3.0
4	Security & Preparedness	Security Duty Officer	1.0
5	Risk Management	College Intern	0.3
6	Engineering	Utility Located Technician	1.0
7	Engineering	PLA Document Specialist	1.0
8	Engineering	College Interns	2.3
9	Engineering	Resident Engineer 3	1.0
10	Engineering	Construction Inspectors	2.0
11	Engineering	Project Assistant	1.0
12	Maritime Env. & Planning	Backfill a position transfer to Habitat	1.0
	TOTAL		<u>15.5</u>

New FTEs driven mainly by the needs of operating divisions

2018 New Budget Requests/Additions

2018 Budget Additions (in \$000s)	Request Amount	Request FTEs	App'd Amount	App'd FTEs
Executive Office	140	0.5	28	0.5
Commission Office	82	1.0	82	1.0
Legal	9	0.0	9	0.0
Public Affairs	339	0.0	268	0.0
Human Resources	1,077	5.6	620	2.6
Labor Relations	39	0.0	39	0.0
Internal Audit	356	1.0	356	1.0
Office of Strategic Initiatives	1,049	0.0	649	0.0
Central Procurement Office	728	4.0	460	2.0
Police	2,693	18.0	1,795	12.0
Security & Preparedness	349	0.0	220	0.0
Accounting & Financial Reporting	187	1.0	147	1.0
Finance & Budget	240	2.3	240	2.3
Business Intelligence	210	1.0	73	0.0
Subtotal	7,499	34.4	4,987	22.4
Capital Development	2,147	20.0	1,523	0.0
Environment & Sustainability	4,031	4.0	3,507	3.0
TOTAL	13,678	58.4	10,017	25.4

The 2018 new budget additions support the Port's strategic goals and initiatives

Corporate Budget by Department

(in \$000s)	2016	2017	2017	2018	Budget Change		Budget to Forecast	
	Actual	Budget	Forecast	Budget	\$	%	\$	%
<u>REVENUES</u>								
Total Revenues	1,186	367	367	182	(185)	-50.5%	(185)	-50.5%
<u>EXPENSES</u>								
Executive	2,185	1,944	1,764	2,001	57	2.9%	237	13.5%
Commission	1,569	1,830	1,748	1,984	154	8.4%	236	13.5%
Legal	3,365	3,288	3,504	3,617	329	10.0%	114	3.2%
Public Affairs	6,033	7,847	7,683	8,308	461	5.9%	625	8.1%
Human Resources	7,001	9,035	8,825	9,645	610	6.8%	820	9.3%
Labor Relations	1,268	1,313	2,048	1,371	58	4.4%	(677)	-33.0%
Internal Audit	1,455	1,770	1,713	1,828	58	3.3%	115	6.7%
Office of Strategic Initiatives	8,356	6,264	5,964	6,648	384	6.1%	684	11.5%
Police	23,045	23,884	23,689	27,065	3,181	13.3%	3,376	14.3%
Security & Preparedness	1,420	2,065	1,984	2,394	329	15.9%	410	20.7%
Contingency & Other	820	250	250	250	-	0.0%	-	0.0%
Finance								
Accounting & Financial Reporting	6,550	7,763	7,435	8,148	384	4.9%	712	9.6%
Information & Comm. Technology	20,158	22,492	22,345	23,308	816	3.6%	963	4.3%
Finance & Budget	4,810	5,873	5,499	5,828	(45)	-0.8%	330	6.0%
Business Intelligence	1,004	1,458	1,423	1,543	85	5.8%	120	8.4%
Risk Services	3,202	3,470	3,293	3,200	(271)	-7.8%	(94)	-2.8%
Subtotal	35,725	41,057	39,996	42,026	969	2.4%	2,031	5.1%
Total Before Cap Dev and Env	92,241	100,547	99,167	107,137	6,590	6.6%	7,970	8.0%

Corporate Budget by Department

(in \$000s)	2016	2017	2017	2018	Budget Change		Budget to Forecast	
	Actual	Budget	Forecast	Budget	\$	%	\$	%
<u>EXPENSES</u>								
Total Before Cap Dev and Env	92,241	100,547	99,167	107,137	6,590	6.6%	7,970	8.0%
Capital Development								
Engineering	4,493	7,020	7,081	7,792	772	11.0%	711	10.0%
Port Construction Services	3,488	4,079	3,949	5,685	1,607	39.4%	1,737	44.0%
Aviation PMG	2,823	13,005	8,737	10,977	(2,027)	-15.6%	2,240	25.6%
Seaport PMG	999	912	947	1,178	266	29.2%	231	24.4%
Capital Development Admin	416	447	450	607	160	35.8%	158	35.1%
Subtotal	12,218	25,463	21,164	26,241	778	3.1%	5,077	24.0%
Environment & Sustainability								
Environment & Sustainability Admin	148	2,523	1,523	1,014	(1,509)	-59.8%	(509)	-33.4%
Aviation Environmental	3,745	6,301	4,915	6,503	202	3.2%	1,588	32.3%
Maritime Environmental & Planning	2,098	2,385	2,392	3,046	661	27.7%	653	27.3%
Noise Program	722	723	738	742	19	2.6%	4	0.5%
Subtotal	6,712	11,932	9,569	11,304	(628)	-5.3%	1,736	18.1%
TOTAL	111,172	137,942	129,900	144,682	6,740	4.9%	14,782	11.4%

Corporate 2018 Capital Budget

September 26, 2017

Capital Budget Overview

Five Year Capital Plan*	2018	2019	2020	2021	2022	2018-2022 Totals
Commission Authorized Projects	1,398	150	-	-	-	1,548
Projects Pending Authorization	6,500	4,100	-	-	-	10,600
Pending Future Authorization	-	750	5,000	5,000	5,000	15,750
Small Capital	5,385	4,401	4,071	4,373	4,206	22,436
Totals	13,283	9,401	9,071	9,373	9,206	50,334

*Excludes ICT Projects Budgeted in Divisions and
and ICT Portions of PMG Led Projects

Commission Authorized/Underway

Five Year Capital Plan		2018	2019	2020	2021	2022	2018-2022 Totals
Commission Authorized Projects							
Project Cost Management System	U	581	-	-	-	-	581
POS Website Redevelopment	U	117	-	-	-	-	117
Supplier Database System	N	400	150	-	-	-	550
Data Center Operations/Business Continuity	N	100	-	-	-	-	100
Firewall Replacement	U	200	-	-	-	-	200
Totals		1,398	150	-	-	-	1,548

N = New System U = System Upgrades or Replacements

Pending Authorization

Five Year Capital Plan*		2018	2019	2020	2021	2022	2018-2022 Totals
Projects Pending Authorization							
PeopleSoft Financial Upgrade	U	3,000	2,500	-	-	-	5,500
Radio System Upgrade	U	1,800	-	-	-	-	1,800
Budget System	U	300	300	-	-	-	600
Police Records Management System	U	700	1,300	-	-	-	2,000
STIA Storage Refresh	U	700	-	-	-	-	700
Totals		6,500	4,100	-	-	-	10,600

*Excludes ICT Projects Budgeted in Divisions

N = New System or Function U = System Upgrades or Replacements

Small Capital and Future Authorization: ICT Allowance

Small Capital	2018	2019	2020	2021	2022	2018-2022 Totals
Technology Infrastructure	1,500	1,500	1,500	1,500	1,500	7,500
Technology Business Applications	1,150	1,000	1,000	1,000	1,000	5,150
Enterprise GIS Small Capital	250	250	250	250	250	1,250
Corporate Small Capital	240	200	200	200	200	1,040
Corporate Fleet Replacement	1,180	381	384	576	707	3,228
CDD Small Capital	140	108	72	172	132	624
CDD Fleet Replacement	925	962	665	675	417	3,644
Total Small Capital	5,385	4,401	4,071	4,373	4,206	22,436
Future Authorization: ICT Allowance						
ICT Allowance	-	750	5,000	5,000	5,000	15,750
Combined Totals	5,385	5,151	9,071	9,373	9,206	38,186

2018 Corporate Budget Appendix



2018 New Budget Additions

(excludes Capital Development and Environment & Sustainability)

Dept.	Item Description (in \$000's)	Amount
Commission Office		
	Commission Staff Assistant - Comm Records	82
Public Affairs		
	Airport Minority Advisory Council 2018 National Conference	93
	Portwide Stakeholder Database (CRM)	80
	Annual "State of the Port" Breakfast	25
	Env. Justice Near Port Communities Projects	25
	Other initiatives	45
	Subtotal	<u>268</u>
Human Resources		
	POS Leadership Development Program	125
	Industrial Hygiene Monitoring Consulting Services	90
	HR Communications Consulting Services	75
	Sr. Talent Acquisition Representative	125
	Equity Program Manager	55
	Benefits Manager - 6 mo. Backfill	59
	HR College Intern	42
	Employee Engagement Survey (Full & Pulse)	33
	Youth Internship Program Expenses	17
	Subtotal	<u>620</u>

2018 New Budget Additions

(excludes Capital Development and Environment & Sustainability)

Dept.	Item Description (in \$000's)	Amount
Office of Strategic Initiatives		
	Lean Consulting Services	600
	LRP Professional Development & Training	49
	Subtotal	<u>649</u>
Central Procurement Office		
	SeaTac Office Center - CPO Rent	83
	SeaTac Office Center - CPO Rent	67
	New Contract Administrator Positions- CPO Construction	124
	New Contract Administrator Positions- CPO Service Agreements	97
	Contractor Database System Contract/Support	80
	Design Build Training - CPO wide	9
	Subtotal	<u>460</u>
Police		
	12 New Police Officers	1,561
	Initial Equipment for new Police Officers	234
	Subtotal	<u>1,795</u>
Security and Preparedness		
	Contractor support for risk assessment (THIRA)	60
	Managed Services (Network Monitoring)	55
	Automated Data Discovery Tool (PCI)	45
	Vulnerability Management Software	30
	Four 800mhz radios - replacement items	20
	Microsoft Consult Services	10
	Subtotal	<u>220</u>

2018 New Budget Additions

(excludes Capital Development and Environment & Sustainability)

Dept.	Item Description (in \$000's)	Amount
Internal Audit		
	Conduct 2 Outsourced IT Audits in 2018	190
	Sr. Internal Auditor	151
	Peer Review -ALGA	15
	Subtotal	<u>356</u>
Accounting & Financial Reporting		
	Capital Services Accountant III	117
	Concur P-card system Port use fees	30
	Subtotal	<u>147</u>
Finance & Budget		
	Manager, Aviation Finance & Budget	134
	Administrative Assistant	82
	Other	25
	Subtotal	<u>240</u>
Business Intelligence		
	Analytical support services	45
	Performance Measurement training	28
	Subtotal	<u>73</u>
Other		
		76
	TOTAL	<u><u>4,987</u></u>

2018 New Budget Additions

(Capital Development)

Dept.	Item Description (in \$000's)	Amount
ENG		
	Design - BIM Standards & Procedures (added funding)	300
	Co-Location to SeaTac Office Center (STOC)	98
	Co-Location Move to STOC and Remote Offices	79
	Subtotal	<u>477</u>
AVPMG		
	SeaTac Office Center (STOC) Rent	225
	AVPMG Move to STOC & Remote Offices	221
	Subtotal	<u>446</u>
PCS		
	Club Lounge Upgrade	263
	SeaTac Office Center (STOC) Rent	83
	PCS Move to STOC	67
	19' Scissor Lift & Electric Cart	37
	Subtotal	<u>450</u>
CDD Admin		
	Staffing Study for CDD	150
	TOTAL	<u><u>1,523</u></u>

2018 New Budget Additions

(Environment & Sustainability)

Dept.	Item Description (in \$000's)	Amount
Environment & Sustainability Admin		
	ACE-Small Grants	200
	ACE-Forterra Assessment & Plan	200
	Develop Project Evaluation Criteria and Processes, Energy & Sustainability	200
	Research on Internal Carbon Tax	30
	Subtotal	<u>630</u>
Maritime Environment & Planning		
	Maritime Climate Protection Program Manager	93
	Sustainability Development Management Specialist	93
	Terminal 91 Energy Audit	82
	Update emissions inventory	65
	Shoreline and Bulkhead Maintenance and Repair Programmatic Permitting Support	60
	Three Ports Salish Sea Water Initiative	45
	Smart Meter Purchase	42
	Outside Services Port Facilities Initial Waste Audit & Report	80
	Subtotal	<u>560</u>
AV Environmental		
	SAMP Environmental Review	1,700
	Aviation Biofuels Partnership Fund Development Project	175
	NDDDES Permit Renewal Testing and Reporting	145
	Janitorial Support	95
	Flight Corridor Safety Program Site Maintenance	75
	WADOC/UW Air Quality	75
	Environmental Review and Permitting Staff	53
	Subtotal	<u>2,318</u>
	TOTAL	<u>3,507</u>

Major Non-Recurring Initiatives

No.	Dept.	Item Description (in \$000's)	2017 Budget	2017 YE Forecast	2018 Budget	'18 Bud vs. '17 Bud Change	'18 Bud vs. '17 Fcst Change
1	Env. & Sustainability	SAMP Environmental Review	2,300	830	1,700	(600)	870
2	Env. & Sustainability	Airport Communities Ecology Fund	1,000	500	400	(600)	(100)
3	Env. & Sustainability	Environmental Grants to Organizations	1,000	500	-	(1,000)	(500)
4	Env. & Sustainability	Outside consultant for the ENV CoE.	150	150	200	50	50
5	Internal Audit	Port IT System Audits	200	200	190	(10)	(10)
6	Strategic Initiatives	LEAN Consultant Contract	1,000	800	600	(400)	(200)
7	Strategic Initiatives	LEAN Initiatives - Japan Study Mission	41	41	10	(31)	(31)
TOTAL			5,691	3,021	3,100	(2,591)	79

Major Expense Projects

(Budgeted in Capital Development)

Major Expense Projects (in \$000's)	2017 Budget	2017 YE Forecast	2018 Budget	'18 Bud vs. '17 Bud Change	'18 Bud vs. '17 Fcst Change	Notes
Concessions Tenant Support	4,018	2,660	5,472	1,454	2,812	
Flight Corridor Safety Program	3,322	2,774	2,231	(1,091)	(543)	
Terminal Security Enhancements	4,272	-	-	(4,272)	-	The entire project can be capitalized
Air Terminal Tenant Improvement Expense Work	630	817	560	(70)	(257)	
Landside- Rental Car Facility Tenant Expense Work	250	250	160	(90)	(90)	
Main Terminal Low Voltage Project	-	-	500	500	500	
Ground Based Augmentation System Expense	-	-	476	476	476	Expense work for the \$4.6M project
Air Cargo Rod Expense	-	-	350	350	350	
Other	368	1,950	364	(4)	(1,586)	Some unbudgeted expense projects in '17.
TOTAL	12,860	8,451	10,113	(2,747)	1,662	

One-Time Items in 2017, some carrying over to 2018

Item	Org	Item Description (\$ in 000s)	Amount	Notes
Public Affairs				
1	1420	Coalition for America's Gateways and Trade Corridors (CAGTC)	7	Subclass 1410
2	1420	Pacific Northwest Waterways Assoc	13	Subclass 1410
		Subtotal	<u>20</u>	
Human Resources				
1	1850	Continuous Safety Improvement - Behavior Based Safety Training and Tracking	75	
Labor Relations				
1	1810	Staff Development	12	
Finance & Budget				
1	2100	Economic Impact Study Consultant Service	300	
Internal Audit				
1	2280	Port IT system applications and infrastructure risk assessment and audit plan	200	
2	2280	Hire a Contractor of Capital Program Audit	180	
		Subtotal	<u>380</u>	
Security & Preparedness				
1	1980	Contractor support for assessments and plans for Org 1980 and Org 4160	100	
Environment & Sustainability				
1	2710	Airport Communities Ecology Fund	1,000	
2	2710	Environmental Grant	1,000	
3	2710	Outside consultant assistance in developing plans of action for the CoE.	150	
4	4580	SAMP Environmental Review	2,300	
		Subtotal	<u>4,450</u>	
Office of Strategic Initiatives				
1	2410	LEAN Consultant	1,000	
2	2410	LEAN Initiative - Japan Study Mission	41	
		Subtotal	<u>1,041</u>	
GRAND TOTAL			<u><u>6,378</u></u>	